

**Commission on Higher Education Revised Recommendations  
for Improving the Higher Education Facilities Approval Process**

*Approved November 2, 2007*

**Overall Objectives:** *To improve State planning, streamline the State-approval process, and improve institutional planning.*

<b><u>Original Recommendation</u></b>	<b><u>Action Taken</u></b>	<b><u>Rationale</u></b>
1.) The State's Comprehensive Permanent Improvement Plan (CPIP) process should be made meaningful.	Carry Forward	Meetings with institutional representatives confirm the continued need for this recommendation.
2.) Eliminate the project approval requirement for routine repair, maintenance, and replacement of building systems provided the Office of State Engineer and State Procurement requirements remain intact.	<b>REVISE:</b> Define permanent improvement projects as those with a value of greater than \$1 million. Institutions would be required to submit a quarterly report to the appropriate entities which identifies completed projects with a total cost between \$500,000 and \$1 million.	The majority of projects meeting this criterion are routine repair, replacement, and maintenance. <u>Since 2005, 223 projects were closed with budgets of \$1 million or less – 157 (70%) of which were routine maintenance.</u>
3.) Adopt code changes allowing institutions to conduct feasibility/planning studies up to and including design development without requiring State-level approvals to plan.	Carry Forward	Meetings with institutional representatives confirm the continued need for this recommendation.
4.) Eliminate the duplication of forms to the Office of State Budget for capital projects through both the CPIP and its "Detailed Justification for Capital Budget Priorities" portion of the annual State Budget Request.	Defer	In light of the current work of the legislatively-mandated Higher Education Study Committee, staff believes this recommendation should be put on hold until the work of this group is completed.
5.) Require each higher education institution to develop and submit for CHE approval a funding plan to bring its deferred maintenance to an acceptable level.	Delete - Accomplished	The Commission adopted a policy in May 2007 to implement this recommendation. Institutions submitted their plans in August 2007, and the information was used to complete the October 2007 report, <i>An Assessment of Higher Education Facilities Conditions &amp; Measuring Deferred Maintenance</i> . CHE staff will continue to work with institutional facilities offices to develop parameters to measure infrastructure needs.

<u><i>Original Recommendation</i></u>	<u><i>Action Taken</i></u>	<u><i>Rationale</i></u>
6.) The Governor, in consultation with Senate and House leadership, should appoint a Blue Ribbon Committee to study and provide recommendations to enable South Carolina to implement an effective alternative construction delivery system – such as design build, Construction Management at Risk, Construction Management/General Contracting – for State agencies. The Blue Ribbon Committee should complete its report no later than March 1, 2007.	Delete - Accomplished	During the 2007 legislative session, Senate Bill 282 was introduced to clarify the use of alternative delivery methods thereby making it easier for institutions and other state agencies to utilize methods such as design build and Construction Management at Risk. The bill's conference committee report was completed at the end of the legislative session but did not reach the chamber floors. The Senate and House are expected to consider the report in January 2008 when the General Assembly reconvenes.
	<b>ADD:</b> Provide flexibility up to 20% within permanent improvement project budgets for budget increases only prior to additional approval by the required State entities. Institutions would be required to submit a quarterly report to the appropriate entities which identifies projects in which the budgets were increased using this flexibility.	Discussions with Budget & Control Board staff and institutional staffs have illustrated the benefit of providing this flexibility. The uncontrollable and often volatile construction market has required institutions to request budget increases – many of which require review and approval of all State-approving entities. A percentage or dollar maximum increase would allow institutions to make the necessary budget changes more quickly thereby saving the state time and money. <u>Since 2004, 70 project budgets have been increased by 20 percent or less.</u>